Chapter 1 - Introduction

The Advanced Purchasing and Inventory Control System (ADPICS) is a comprehensive procurement management system designed to satisfy the complex and changing information and processing needs of government users. The system offers flexibility, effective security and control over access to data, and operational efficiency in both on-line and batch environments. ADPICS has been designed to specifically address the purchasing, receiving, inventory control, and accounts payable requirements of the State of Michigan.

When using this Data Entry Guide, the user should keep in mind that ADPICS provides numerous functional capabilities and data entry options. This enables the system to address the sophisticated requirements of large or complicated transactions, as well as the comparatively simple requirements of smaller transactions. This is possible because of the number of optional data fields that can be entered to meet particular user needs.

This chapter is divided into three sections:

- **How to Use the Data Entry Guide** – describes the overall content and the ways in which this guide should be used.

- **Contents of the Data Entry Guide** – details the contents of the Data Entry Guide.

- **ADPICS Overview** – presents an overview of ADPICS' six subsystems.

1.1 HOW TO USE THE DATA ENTRY GUIDE

The complexity and flexibility of the ADPICS software can leave users wondering "Where do I Start?" Users are oriented to performing certain business tasks or functions. Their business needs are usually stated in the manner of:

- ■ I need to add a line item to the accounting distribution on this requisition;
- ■ I need to change the amount on this Purchase Order; or
- ■ I need to change the specifications attached to this invitation to bid.

Execution of these business needs leads quickly to the question, "How do I do it?" The valid answer to such a question is, "That depends." In an effort to reduce the variability in the "That depends" answer, the ADPICS Data Entry Guide has been prepared.

The Guide begins with a description of the contents of the Data Entry Guide. Each chapter addresses one type of process, such as procurements. Each type of process is divided into sections, one for each document within that process, such as requisitions. When following the step-by-step procedures, the Data Entry Guide assumes that the user is logged in to ADPICS.

Each section within a chapter begins with an overview. The overview gives background information specific to the functionality in the section. The sections expand on the overview by including directions to perform given actions. The document processing sections begin with the initial data entry of the document. It continues with any detail data entry. This is followed by directions for changing and deleting the unposted document. Changing and canceling the posted document follow. You can refer to the Chapter Title Page, Table of Contents, or the Index to locate directions to accomplish the function that you wish to complete.

The guide has been set up to facilitate maintenance as new functions are identified. For valid reasons, not every need expressed by a user will be supported by ADPICS. For example, it is not allowed to change the vendor on a posted blanket purchase order. In that case, the "Change a Vendor" section should alert the user that the request is not valid and, if possible, provide an alternative means of meeting the business need. Again, the guide should be maintained to reflect commonly requested but invalid business functions, as well as valid business functions.

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1.1.1 Document References

The ADPICS Data Entry Guide gives step-by-step procedures for creating many different documents. Several features are utilized repeatedly when creating, revising, and posting the documents.

In order to refrain from repeating the same procedures in many places within the ADPICS Data Entry Guide, directions will be given in one chapter and section. References will be given at the point of data entry, to assist in locating the appropriate step-by-step instructions. Since these features are used often, you will soon know how to complete the procedure without using the referenced section. However, the section can be referenced, whenever necessary.

- References to chapters will include the chapter number, and chapter name (see Chapter 1 Introduction)
- References to chapters and sections will include the chapter and section number, and section name (see Section 1.3 ADPICS Overview)
- References to subsections within a section will include the chapter number, section number, subsection number and name of the subsection (see Section 1.3.1 Receiving Subsystem).
- References to additional sections within a subsection will include only the additional section name (see Example later in this section)

The Table of Contents and the Index give the page numbers for chapters, sections and subsections. Also, the first page of each chapter includes a list of sections and their page numbers.

1.1.2 Data Field Definitions and Screen Specific Function Key Definitions

The Help Inquiry screen (PCHL9000), as well as the ADPICS Terminal Users Guide and the topic specific ADPICS training material (AD courses), contain screen specific definitions. This includes data field definitions for all data fields on the screen. These resources also state whether a data field is optional, required, system generated, or defaults. All of the function keys are listed for each screen, as well as the function key navigation specific to each screen.

Follow the instructions in 2.4 Help Inquiry, to retrieve on-line screen descriptions, data field definitions, and function key definitions.

To locate a screen in the Terminal Users Guide (TUG), use the Table of Contents or the Index included in the TUG. The screens are in numeric order within sections, such as Transaction Processing, Table Maintenance, or Inquiry.

The screens are presented in the training material in functional processing order within each course. In the requisition course, the Requisition Header Entry screen would be presented before the Requisition Detail Entry screen. All training material presents navigation to screens through menu selections. Each course also includes a Table of Contents to assist in the location of specific information.

The ADPICS Data Entry Guide gives definitions for specific data fields where needed. However, many data fields are self-explanatory, such as Street, City, St., Zip. In this instance, you would be instructed to enter the address, without stating the definition of each part of the address. Also, many data fields are the same throughout a process, so the definition is only given the first time it is entered. One example is Mail Code. The first time it is entered, a definition would be included. Thereafter, you would be instructed to enter the appropriate Mail Code.

1.2 CONTENTS OF THE ADPICS DATA ENTRY GUIDE

The ADPICS Data Entry Guide is intended for use by personnel who enter procurement, receiving, accounts payable, and/or inventory documents; or those who establish and maintain the associated tables and/or approve ADPICS documents. This guide is useful for a day-to-day reference of information after the user has attended the appropriate ADPICS course(s) related to his or her job function. This guide is not intended to replace hands-on training.

A description of each section of the ADPICS Data Entry Guide is included below. Refer to the Table of Contents for a complete listing of the topics included in each section.

1.   **Introduction** – this section introduces the ADPICS Data Entry Guide, and gives an overview of ADPICS and the subsystems within ADPICS. It also explains how to use the Data Entry Guide.

2.   **ADPICS Basics** – this section discusses time saving functions and features of ADPICS. The section begins with keyboard navigation and function key usage, and includes log-in and log-out procedures, Note Pad, Help Inquiry, document numbering, user security, and data entry features.

3.   **Procurement Process** – this chapter is divided into sections (one for each type of procurement process). Each process includes an overview and/or background information, as well as step-by step input procedures. The individual sections are as follows:

- Requisition Processing
- Job Ticket Processing
- Invitation to Bid Processing (ITB)
- Bid Processing (Bid Entry)
- Purchase Order Processing
- Direct Purchase Order Processing
- Blanket Purchase Order Processing
- CS-138 Processing

4.   **Accounts Payable Process** – this chapter is divided into sections (one for each type of accounts payable process). Each process includes an overview and/or background information, as well as step-by step input procedures. The individual sections are as follows:

- Invoice Processing
- Voucher Processing
- Direct Voucher Processing
- Exception Processing
- Credit Memo Processing
- Travel Authorization Processing

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■ Travel Voucher Processing

5. **Receiving Process** – this chapter is divided into sections (one for each type of receiving process). Each process includes an overview and/or background information, as well as step-by step input procedures. The individual sections are as follows:

■ Procurement Receiving Report Processing
■ Inventory Receiving Report Processing

6. **Inventory Process** – this chapter is divided into sections (one for each type of inventory process). Each process includes an overview and/or background information, as well as step-by step input procedures. The individual sections are as follows:

■ Inventory Issue Processing
■ Inventory Direct Issue Processing
■ Inventory Return Processing
■ Inventory Transfer Processing
■ Inventory Adjustments
■ Inventory Count and Reconciliation

7. **Change Order Process** – this chapter is divided into sections (one for each type of change order process). Each process includes an overview and/or background information, as well as step-by step input procedures. The individual sections are as follows:

■ Advice of Change Processing
■ Document Cancellation Processing

8. **Document Authorization Process** – this chapter is divided into sections (one for each type of document authorization process). Each process includes an overview and/or background information, as well as step-by step input procedures. The individual sections are as follows:

■ Establish and Maintain an Approval Signature
■ Approving and Rejecting Documents
■ Handling Returned Documents
■ Document Authorization Tracking
■ Establishing and Maintaining Approval Paths

9. **General Transaction Features** – this chapter is divided into sections, and introduces features pertaining to more than one type of transaction. The individual sections are as follows:

■ Commodity Selection
■ Vendor Selection
■ Vendor Mail Code Selection

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- Specifications Selection
- Terms Selection
- Specifications and Terms Block Function
- Text Block Function
- Account Distribution Block
- Vendor Performance
- Document Tracking
- Accounts Payable Document Matching
- Union/Nere Code Selection
- CS138 Selection

10. Table Maintenance – this chapter is divided into sections (one for each type of table maintenance process). Each process includes an overview and/or background information, as well as step-by step input procedures. The individual sections are as follows:

- Commodity Table Maintenance
- Vendor Table Maintenance
- Vendor Classification and Status Code Table Maintenance
- Other Address Table Maintenance
- Miscellaneous Table Maintenance
- Specifications and Terms Table Maintenance
- Help Table Maintenance
- Buyer Code Table Maintenance
- Matching Rules Table Maintenance
- Holiday Table Maintenance
- Interface Types Table Maintenance
- Country Codes Table Maintenance
- Department Table Maintenance
- Document Numbering Table Maintenance
- Traveler Master Table Maintenance
- Travel Rate Table Maintenance
- Travel Location Table Maintenance
- Travel Point to Point Mileage Table Maintenance
- Travel Purpose Table Maintenance
- Qualified Products Table Maintenance
- Warehouse Location Table Maintenance
- Warehouse Table Maintenance
- Commodity by Warehouse Table Maintenance
- Warehouse by Commodity Table Maintenance
- Inventory Master Table Maintenance
- Union/Nere Code Entry
- Non-Jurisdictional Commodity Code Entry

11.   Security Process – this chapter is divided into sections (one for each type of security process). Each process includes an overview and/or background information, as well as step-by step input procedures. The individual sections are as follows:

- System Security
- User Security

12.   Interface to R*STARS – this chapter includes interface information, as well as where data can be located in R*STARS. It also includes how to request the cancellation of a warrant. The individual sections are as follows:

- What Interfaces to R*STARS
- Where to Inquire in R*STARS
- How to Cancel a Warrant in R*STARS

13.   Report Process – this chapter is divided into sections, one for each type of report process. The individual sections are as follows:

- Viewing ADPICS Standard Reports in RMDS
- ADPICS On-Line Standard Reports
- JCL File Inquiry (Job Control Language)

14.   Month End/Year End Closing – this chapter includes information and specific data entry for month and year end closing. The individual sections are as follows:

- Month End Closing
- Year End Closing

Appendix A – ADPICS Tables
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Note that additional sections can be added as new functionality is added, or existing sections can be expanded/changed/deleted as needed.

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1.3 ADPICS OVERVIEW

ADPICS addresses a wide range of processing requirements in the following six functional areas:

- ■ Requisition processing
- ■ Bid processing
- ■ Purchase orders/contracts
- ■ Receiving
- ■ Inventory
- ■ Accounts Payable

While processing capabilities in each of these areas will be discussed separately, all are integral parts of a fully integrated system.

1.3.1　Requisition Processing Subsystem

The requisition processing subsystem accepts all requisition information by providing a statewide single point of entry for agency requests.

It provides comprehensive edits for both accounting and commodity information which support and maintain a high level of data integrity.

It automates the pre-encumbrance of requisitions in R*STARS using multiple, full account distribution codes.

The State of Michigan will use the National Institute of Government Purchasing, Inc. (NIGP) standards for commodity codes. DMB Office of Purchasing maintains the commodity code table. Commodity codes not in the table cannot be used.

Statewide, standard commodity codes shared with inventory processing provide consistency in data collection and ease of communication between agencies.

The requisition processing subsystem provides ease of data entry by minimizing keying requirements and using standard screen formats throughout the system.

It routes requisition data to bid, purchasing, or inventory processes which minimizes manual document routing and re-keying of data.

It supports change order processing and automates the interface of the pre-encumbrance (request to set aside funds) to R*STARS.

It supports several automated methods for assigning buyer responsibility or allows for buyer responsibility to be determined manually.

It provides on-line inquiries, which can be used by agencies to determine the status of their requisitions.

Example

A requisition for copier toner is entered into the system by a State employee. When it is entered, the information is passed to R*STARS and a pre-encumbrance is established. The commodity code for the toner will be the same for each function of ADPICS and will remain the same throughout the process. The buyer may be assigned automatically. If the requisition is changed, the interface to R*STARS will change the pre-encumbrance.

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1.3.2 Bid Processing Subsystem

The bid processing subsystem provides on-line selection of commodities for bid preparation, eliminating the need to enter the requested commodity information.

It provides the option to combine multiple requisitions into a single bid which allows the most efficient and cost effective bid processing resources.

It prints Invitation to Bid documents upon user request.

It tracks bid results by providing easy to use bid entry screens which minimize data entry.

It provides the ability to enter a vendor quoted discount from the list price.

The bid subsystem supports automated selection of qualified vendor(s) based on the vendor's commodity registration; the list of vendors selected to receive solicitations is maintained on-line.

It provides flexibility to award contracts to one or multiple vendors for a single solicitation.

It updates the vendor listing with bid and award information displaying the vendors' tabulation rankings.

Example

If more than one requisition for copier toner is entered into the system, the option to combine them can be used to generate economies of scale with a single vendor, or the aggregate quantity can be split among two or more vendors. When the vendor(s) is chosen, invitations to bid are requested from the system and sent out. After the bid results are received they are entered into the system and the vendor(s) is selected. The bid and award information is now available for viewing on the system for anyone with access.

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1.3.3 Purchase Orders/Contracts Subsystem

The purchase order/contract subsystem accepts automated input from bid and requisition subsystems minimizing data entry and maintaining cross-references to the originating document.

It prints Purchase Order and support documents upon user request.

It supports Contract preparation requirements including:

- Contract term text
- Commodity specification text
- Commodity information
- Special delivery requirements

The purchase order subsystem interfaces with R*STARS to automatically relieve the pre-encumbrance and establish the encumbrance.

It tracks procurement history by vendor by capturing frequency data to be used for management reporting.

It supports change order processing and automates the interface of the appropriate encumbrance adjustment to R*STARS.

It tracks buyer information and displays documents assigned to the buyer and their current status.

It provides extensive on-line inquiries which can be used by agencies to determine the status of their orders.

Example

The necessary requisition and bid information is already in the system so re-keying it is unnecessary in order to create a purchase order. Also, any information regarding, for example, special delivery requirements can reside in ADPICS, and can be pulled without re-keying all of it. To illustrate, if the toner is always required to be shipped in a specific size box for our storage purposes, that verbiage could be stored in ADPICS to print on all purchase orders (or contracts) for that item. When the purchase order for our toner is completed, the information will be passed to R*STARS. The pre-encumbrance will be relieved and the encumbrance will be established at that time. Now that the purchase order has been completed, anyone who has access can look up the information. The buyer may need to do this to keep abreast of what is happening with the order, and so might the person who ordered the toner to find out for certain when it is scheduled to arrive.

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1.3.4 Receiving Subsystem

The receiving subsystem separates inventory receiving (items to a warehouse; balance sheet purchases) and procurement receiving (items to the individual that ordered them; expenditure purchases).

It matches the assignment of warehouse bin and locations to the inventory receiving function.

The procurement receiving simply requires the entry of the quantities received thereby decreasing the paper flow between offices.

The receiving subsystem generates one component of the three-way matching process (purchase order, receiver, and vendor invoice) that automatically generates voucher transactions.

It provides comprehensive edits for purchase order and warehouse location information maintaining a high degree of data integrity.

It automatically updates all related files for inventory and procurement management providing up-to-date information for producing accurate management reports.

It provides ease of data entry through the use of standard input screens with extensive inquiry capability.

Example

When the toner is received, the receiving information will be entered into the system. That information can be used for reports dealing with inventory and procurement management. Generally, by the time the merchandise has been received, the vendor has mailed the invoice to the State. The invoice, therefore, may have been entered into the system. Once the receiver and the invoice are posted, the matching process will automatically generate a voucher document.

1.3.5 Inventory Subsystem

The inventory subsystem tracks inventory on hand, and stock on order by warehouse and by entity, and presents the information on a series of on-line inquiry screens and reports.

Inventory transactions include goods received, goods issued, returns to stock, transfers, and adjustment transactions. These transactions are entered on-line, through consistently formatted, easy to use screens.

It updates commodity average cost automatically as on-line entries are processed.

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It assists inventory management by capturing inventory movement data, which can be used to produce management reports.

The inventory subsystem provides automated inventory count reconciliation including:

- Freezing inventory involved in the count
- Detailing the over and short quantities
- Printing count sheets

It reports on central stores activities by displaying issues from inventory information by warehouse and commodity.

It controls backorder processing by maintaining accurate quantities on-hand and recognizing back order situations.

It allows up to 999 separate warehouses giving the State a great deal of flexibility in designing its structure of warehouses.

It provides dock-to-stock tracking.

It maintains inventory history by commodity and displays the historical usage information on-line.

It classifies warehouse data by location/commodity allowing each warehouse to be efficiently laid out for handling inventory issues.

It prints pick tickets in a logical, efficient picking order and produces packing slips on user request.

1.3.6 Accounts Payable Subsystem

The accounts payable subsystem has the responsibility of preparing voucher documents. This function requires three pieces of information:

- Items ordered, obtained from the purchase order
- Items received, obtained from the receiving report
- Items billed, obtained from the vendor invoice

This comparison ensures that payments are only made for items that were ordered and received by the State.

The major objectives of ADPICS Payable Processing subsystem are to:

- Provide automated matching of the documents needed to create a voucher

- Automatically perform the analysis of due date and discounts that would prevent the loss of dollars through discounts not taken and/or through early payments

- Automate the matching process by providing options for specifying the type of matching (2-way, 3-way) to be performed and the dollar and percentage tolerances to be applied

The accounts payable subsystem provides on-line capability to record invoice information which minimizes data entry by carrying data forward from the purchase order and reducing the flow of paper between offices.

It generates the voucher document when the match process is successful and the document amounts are within the dollar or percentage tolerances specified in the matching rules.

It provides automated interfaces with the R*STARS accounting system to automatically relieve the encumbrance and establish the voucher payable.

It provides electronic voucher authorization process by routing voucher documents through the electronic approval processing to be authorized by the appropriate personnel. The authorization levels may be determined by dollar amount ranges, document type, commodity, or by initiating agency.

NOTE: The system will electronically match the documents and generate a voucher. Once the voucher is posted, the information is passed to R*STARS and the encumbrance is relieved and he voucher payable will be established for the appropriate date, based on the due date and any associated discounts.